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"DIALOGUE WITH SAM NUNN"

Guest: Admiral Bobby Inman
Deputy Director
Central Intelligence Agency

Time: 27:45

Sen. Nunn: I'm delighted to have as a guest today an Admiral who isn't primarily known for commanding a ship now. He has an important job -- a very, very important job in our government. He has served in the Navy for many years, Korea, Vietnam. He also has a long history of involvement in intelligence activities, having served as the head of Naval Intelligence, I believe, Bobby, the number two man in DIA at one time...

Adm. Inman: ...for one year...

Sen. Nunn: ...and then, of course, he headed up one of our most important intelligence components, NSA, the National Security Agency, and now he has taken on the Deputy Director of Central Intelligence Agency. Bobby, it's a delight for me to have you on this program.

Adm. Inman: Thank you, Senator. Great pleasure to be with you.

Sen. Nunn: I know a lot of people in the audience will be curious about some of the general questions on intelligence. Intelligence has sort of a mystique to it, and a lot of people feel that even though they read about it a lot, they don't really have a grasp of it. What do you see as the major function and role of intelligence in the modern time relating to America's national security?

Adm. Inman: Given the size and condition of our armed forces, information is of enormous value in deciding how you might use it. Beyond that, as our interests spread to a great range of topics--competition for raw materials, natural resources, markets, understanding instability all over the world--knowledge is of enormous value to policymakers, decision-makers. Whether it's deciding how to negotiate a treaty, to negotiate release of hostages, or how one might have to preposition armed forces to avoid the prospect of having to actually use them. The degree to which we can develop knowledge--information--on the area in which one might have to operate, or understanding of the elements of adversaries, whether that's their armed forces or their intentions to use those forces, or simply their approach to a treaty, this country is likely to make much smarter decisions. In the troubled decade ahead, I believe the challenges to us to provide quality intelligence are probably going to be greater than they've ever been since the days of a full scale war.

- Sen. Nunn: So intelligence is much broader than just trying to determine when a war may break out, and that kind of specific predictions, you get to the question of economic decisions; you get to the question of raw materials, and what Third World countries may or may not do. It's a very, very broad subject as America becomes more and more dependent on international trade and less an island unto ourselves.
- Adm. Inman: And my perception is that the needs are going to grow a great deal. Fifteen, twenty years ago when we had a preponderance of power, many countries looked to the opportunity to tell us what their intentions were, what they were going to do, what their aims were. That's less the case. Even the friendly countries often do not go out of their way to keep us informed of their plans, and yet, often their thoughts and their reactions to us, their intentions, are very important in formulating our own policies.
- Sen. Nunn: Admiral, I know you have many hats in your present role and, of course, one of them is second man in the Central Intelligence Agency, but you also have a hat that's much broader, that goes to the overall intelligence community. Could you give us something about the breakdown of the intelligence community and what the main components are?
- Adm. Inman: Senator Nunn, the whole phrase "intelligence community" evokes a fair amount of curiosity, because it's not a topic that's very well understood. In 1947, the Congress enacted the National Security Act aimed toward consolidating our defense establishment, as you well know, but also to bring some overall coherence to how we approach the question of foreign intelligence. The Central Intelligence Agency was created as an organization designed to not only conduct clandestine human collection abroad, but also to provide a central place to do analyses of long range intentions estimates. The decision was made to create a director of Central Intelligence and, by statute, a deputy director of Central Intelligence who would serve not only as the operating heads of the CIA, but also would provide the leadership to the community. That's a fairly delicate task because the community is comprised of several other organizations--the National Security Agency which builds the country's codes and ciphers and makes the effort to break those of others; the elements of the Defense Department engaged in full time intelligence, production, collection, analysis--that's changed a great deal over the years. For the last almost twenty years now it's been centered in a Defense Intelligence Agency, and then the intelligence components of the Army, Navy, and Air Force

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- Adm. Inman: (cont'd) who primarily do scientific and technical intelligence analysis directly related to weapons systems of opponents and look to the needs of the operating forces for information to support day-by-day operations. Also included, though much smaller in total terms of manpower, are the intelligence elements of the Department of State, Treasury Department, of the Energy Department, and even some of the other departments where they have two or three people who will serve liaison roles.
- Sen. Nunn: Now supposedly does this all funnel into one central source eventually--does it all come to CIA at some point in time?
- Adm. Inman: You have normally three...you think in terms of three different ways primarily that you collect intelligence. By humans, or hum-int it's usually called; by photography--by imagery is the phrase we normally use in the trade--whether that's from a hand held camera or from a satellite taking a picture; and by collection of intercept of foreign signals. The product of all of that collection normally flows to a number of agencies. All of it will standardly flow to the Central Intelligence Agency, where again, if they want it, that same basic raw information is available to the Defense Intelligence Agency and to the Bureau of Intelligence and Research at the State Department. How one analyzes that data and the customers to whom you provide it vary a great deal. Central Intelligence Agency primarily is destined to provide a flow to the President, to the senior members of the National Security Council, to the Cabinet. The Defense Intelligence Agency also contributes to those audiences, but they look for their primary clients being the Department of Defense and the operating forces, and similarly, State contributes to all of those major consumers, but their primary constituency is inside the Department of State.
- Sen. Nunn: Well, let's take a for example. You've just headed up the NSA, known as the National Security Agency, and not many people really know what the NSA does. You just alluded to its roles and missions. You were there, what, four years?
- Adm. Inman: Forty-five months.
- Sen. Nunn: Forty-five months. I might just say to the audience that Admiral Inman has the most, I would say, the most outstanding reputation of any member of the intelligence community since I've been in Washington. Both liberals, conservatives, almost everyone thinks that you've done a superb job as head of NSA. What does NSA actually do, and what role can you describe in an unclassified way that the American public could really understand?

- Adm. Inman: That's extraordinarily difficult to do. The press pun has always been that NSA stands for "never say anything." As a routine that has protected the basic security. But, the range of interest is enormous. You're trying to understand Soviet activity that might lead to hostilities outside their country; you're concerned about potential threats to U.S. forces as they operate in peace time around the world; you're concerned about the broad range of economic and political topics of great interest to the country. The requirements that drive how we operate that very large collection system come from the director of Central Intelligence drawn from throughout the potential users all over the government. It's designed to meet all the needs of the government that might be answered through this means of collection. As you would guess, because it's an extraordinarily sensitive area, there are very tight controls on how the information is distributed, who may have access to it, but standardly you can expect that the results of it are available to the major intelligence production agencies, the major departments, the major military commanders quickly if it has any direct relevance to their on-going operations.
- Sen. Nunn: I remember reading a book called "A Man Called Intrepid" and also one about--I think it was called "The Enigma Machine" that related to decoding World War II and some of the crucial developments there relating to the Germans. Is that the kind of thing that NSA gets involved in?
- Adm. Inman: All those series of books about the ultrasecret and the rest fall in this line. I will tell you that it's been an enormously exciting forty-five months. The contributions to the national security have been tremendous, we've been cited from the President and many others for direct contributions to a whole range of activities ranging from negotiations to get the hostages back through a lot of much more routine matters. Unfortunately, the details of the public service that's involved are probably going to wait thirty or forty years before they're declassified.
- Sen. Nunn: But most of your successes you can't talk about.
- Adm. Inman: That's right. We just recently released in this past year to the National Archives substantial body of information out of World War II of the successes on the Japanese and German problems that contributed very directly to the solving of World War II--the settling of World War II. It's been particularly easy because there's an enormous amount of talent in that agency--great dedication to public service. That's the part that the public get so little opportunity to see. The press coverage, when it comes, as

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Adm. Inman: one might expect, is usually when there's a failure of some kind.
(cont'd)

Sen. Nunn: Well what about the...some people are concerned, I know the media writes it up occasionally about the NSA, with all your sophisticated intelligence gathering signals and so forth and so on, about the dangers to the American businesses or American individuals when they're transmitting messages, when they're talking on the telephone or sending cables and so forth--what kind of precautions does NSA take to protect the rights of American citizens?

Adm. Inman: There is a great sensitivity to the natural public concern, is their government spying on them. There was not as much sensitivity to that issue a decade ago as there probably ought to have been. Not because they were engaged in the activity, but the underlying fears of a public that they might be spied on simply were not there in the consciousness. Out of the investigations in the middle 1970s came some very stringent requirements. Some by Attorney General procedures, some by Presidential Executive Orders, some by law. Frankly, I have found these additions to be very comforting because they remove any ambiguities; they give, from my perspective of operating, all the flexibility we have needed at the National Security Agency to serve the nation's interest. Sometimes they've been a little ponderous; we've given more employment to more lawyers than we had to in earlier times to find our way through the thicket, but we've ultimately ended up serving the nation's needs while putting to rest the concerns that somehow this was an enormous apparatus that was going to be turned to spy on our own citizens.

Sen. Nunn: Well we hear talk in recent days that the Reagan Administration may be considering making some changes. You've got on a different hat now, you're still involved in intelligence in a vital way, but you're now deputy on the CIA side, which includes a broader sweep of the intelligence community. What about these changes that may be being talked about by the Reagan Administration...are they going to free up our intelligence sources and so forth, and so we can do a better job, or are they likely to infringe on people's privacy?

Adm. Inman: Senator Nunn, there are immediate concerns whenever one talks about change, or particularly one raises the specter that the U.S. intelligence organizations will be used to spy on U.S. citizens. I think by and large the American public are perfectly prepared to support whatever it is we need to do abroad to ensure this country is informed and supports the national security, but they're concerned if it's going to turn out to be activity in the domestic vein, and they want to know why, or to understand why. What's

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Adm. Inman: (cont'd) prompted this new series of questions is trying to face up to the changing world we live in in which terrorism has become a major factor that we have to consider. We've been pretty fortunate thus far that actual terrorist activity within this country has been rare, but we've had it inflicted on us abroad, attacks on our embassies, particularly the long turmoil out of the terrorist attack on the embassy in Tehran, have caused a strong focus on how does one collect information on this process; how does one deal with terrorism when it comes, or if it comes, within the U.S. itself. That led to a specific question, are there restrictions now in law, in Executive Orders, in policy, which inhibit you from doing an effective job in countering terrorism, in understanding terrorism, or in dealing with counter-intelligence problems. But we've begun to try to examine there are restrictions that do impact on that process--it'll take us a while to lay out what those are and make sure that there're really inhibitions and not just imaginary ones. Then comes the next part of the process, and that's to decide what do you gain if you remove the restrictions, and there'll clearly have to be some policy judgments whether or not the likely gains or the need for that information is enough to cause you to make some changes.

Sen. Nunn: So it's the terrorism question that has given cause for this internal review?

Adm. Inman: Terrorism questions caused this review to take place now. I think it would have taken place in due course as a feature that any new administration ultimately gets around to doing. What you also seeing here though, Senator, is standardly whenever you talk about change, this town has become endemic, if you don't like the prospect of the change, you go and leak the fact that a prospective change may occur and if you can put it in particularly colorful language you may raise enough alarms that you'll stop any consideration from taking place. Unfortunately, that serves to alarm the public that there's some change, or again, that the intelligence agencies are likely to be used to spy on the public--I think that's a great disservice. But terrorism is real. It's with us and we are going to have to address whether or not changes need to be made. It's going to be several months before that process is finished. It'll get lots of airing, it will include, certainly, an extended dialogue with the two Select Committees on Intelligence in the Congress which now for the last several years have been doing, from my point of view, a very effective job of oversight of this whole intelligence structure.

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Sen. Nunn: I was going to ask you about that because we had so many people you were reporting to, so many different committees, for a while, that it was very cumbersome. But, now, the reform bill passed last year, at least part of it, that consolidated those functions, and you do now just report to basically two committees in terms of actual oversight committees.

Adm. Inman: Senator, may I try to sort out a difference between intelligence and covert action as sort of a process of answering that question?

Sen. Nunn: Right.

Adm. Inman: Covert action is the phrase used to describe activities by the government to try to bring about a change in attitude, a change in policies, a change in actual on-going events, or potentially even, a change in government, in a foreign government. That could range all the way from propaganda to financing opposition parties or elements to paramilitary activity. The country has had over the past thirty years some covert action capability. It resides primarily within the Central Intelligence Agency. When it is used, it is used in response to policy direction, so far as I can tell, always from the President and his National Security Council. That's entirely separate from the business of collecting foreign intelligence, where in collecting foreign intelligence by using human sources--hum-int --you may offer someone money to provide you information, or they may even provide you information for ideological reasons, or because they're disaffected, but you're not asking them to go and take actions within their government to try and overthrow it, or even to be propaganda to try to change it. The oversight problem that is of great concern here is the question of covert action. There enormous security constraints must be applied. On the intelligence collection side, it's a different worry. It's protection of your sources and methods, and the problem there is rarely that somebody willfully goes and releases classified information. Usually, they get information, it's of interest to them, they don't know how it was acquired or the potential danger to the method by which you've acquired it, and so they gossip about it or they tell their favorite reporter about it, or they tell someone that they think might oppose a policy about it and that leads to a disclosure that causes us to lose the capability to collect the information.

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Sen. Nunn: Admiral, one of the things that has given me concern for some time, and I think it's somewhat of a Washington disease, the leaks we've had, the tremendous notoriety of our intelligence, all of the investigations, and so forth -- what has this done to Third countries that might be willing to share intelligence with us under normal circumstances, and what has it done to our human sources that may feel like somebody's leak is going to be their life? What do you see happening in this area?

Adm. Inman: Senator Nunn, it's had a major impact in both areas. Starting on the hum-int side first, there have been specific cases where agents are simply no longer willing to work with us, for us, out of fear that they will be exposed through inadvertent leaks or through inadvertent exposure through responses to Freedom of Information Acts, things of that type. But it's the leak situation that's caused us the greatest problems of all, and particularly with friendly countries who, in the past, have shared the results of their intelligence collection efforts with us. They've increasingly been worried that we simply can't keep secrets and that we will cause them to lose access. Why that really critically matters to us is that throughout the decade of the seventies we've drawn down our own manpower committed to this field. The actual figures are classified, there's a conviction in the city that even revealing the total dollars and the total number of manpower would give adversaries an assistance, but I can give you some general figures that on the analytical side we've drawn down manpower about 25% in the decade. On the collection side it's ranged from 25% in the human area on up toward as high as 35-38% in some of the technical areas.

Sen. Nunn: Well one of the things that on the analytical side-- and I want to get back in just a moment to this question of what do we do about leaks--but the analysts, that's what we've worked on so much, and we've got this very sophisticated intelligence gathering equipment that's cost an enormous amount of money, but in the final analysis, you've got to have a human being there analysing all that information, gathering it together and telling somebody up top what it means, and we've tried to add some analysts to your budget --do you think that that is improving or is that one of your major problems?

Adm. Inman: It's been the one bright spot in the manpower situation that you and your colleagues have added in these last several years. Though the '82 budget, I'm happy to report, picks up on that trend and makes a major turnaround, so we are going to begin to make progress. But the point that I was trying to make is that as we have drawn down our own

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Adm. Inman: capabilities, we are all the more dependent on what our friends will tell us. And when we scare them away then from being willing to share their information through leaks, we compound our difficulties.

Sen. Nunn: Alright, well I agree with you completely on that. What do we do about it? Is there anything that can be done? I've introduced a bill with several other senators that would make it a crime to reveal the names of agents. We've got some people who make a living now going around and revealing the names of our agents abroad, and then they come back and they're accorded all the privileges of citizenship in this country, so that's one thing we're working on. Is there anything, though, that within the bureaucracy that can be done to create more of a sense of honor with people who have secrets and who obviously, some of them, are leaking those?

Adm. Inman: The Congress, this past year, passed what we colloquially call the "gray mail" legislation, to try to deal with the problem that where you've had leak of classified information in the past--since we have a country of open trial, open juries, no classified sessions--that you've had to commit that you would declassify the actual information which had been leaked in order to get a prosecution. That was an impossible situation because many times you would do even more damage by revealing those portions of necessity which had not been leaked, or correcting errors that might have a little bit assuaged the damage in the leak.

Sen. Nunn: So you think that'll help?

Adm. Inman: This legislation will help. I think we're going to have to take a very strong stand, though, that in some cases we'll proceed with investigations purely with the intent of administrative action, with the intent of firing a few people rather than automatically beginning that prosecution is the game you've got to follow if you're going to serve the national interest.

Sen. Nunn: A lot of these leaks are not leaks that try to inform the enemy or try to do damage to America purposely, but leaks based on people's ego, wanting to be on the inside with some reporter, or someone trying to do another person in as far as their own policy--promoting policy. That's where most of the leaks come from, isn't it?

Adm. Inman: I agree very strongly. I've had three broad categories that I've usually characterized for leaks. One is the disaffected individual who either believes that he has some grievance with his employer--he sends information over the transom to a columnist who will print whatever arrives in that manner, and he sees that as an opportunity to get back at the agency or the organization that has given him some real or imagined injury. The second one is someone whose trying to sell a program, or sell an idea,

Adm. Inman: or sell themselves to look good in the best light. Sometimes, fortunately, they exaggerate, which they really-- even--and, therefore, the damage of those sometimes is less than the others, but it doesn't make it any easier to live with. Preferred version is the busy official who picks up a bit of information, who passes it on to someone else, or who quickly uses it to try to support a point or position he's trying to establish. He doesn't understand how the information is derived, he uses it quickly--carelessly, I'm persuaded in most instances, without any understanding of the damage that's being done--but the foreigner who sees it or hears it is quick to understand how it was derived, and there are many documentable cases where that's lead us to lose sources, methods.

Sen. Nunn: We hear a lot about intelligence failures, and of course, the Iranian situation a couple of years ago is one thing that people allege was a failure; the underestimate of North Korean strength is something I got very involved with about two years ago; the brigade in Cuba. Many people ask the question--ordinary laymen, and it's a good question--if we don't know how many Soviet troops are in Cuba, how can we actually monitor something like SALT II agreement. What in your experience have been our intelligence failures, rather briefly, and how do we correct those? In other words, what are our weaknesses that have come to your attention over your considerable career in the intelligence area?

Adm. Inman: Senator Nunn, we have tended from time to time to underestimate the Soviets. We have on rare occasions overestimated. But from some good academic studies that have been done over the long record, we have substantially more often underestimated where they were going than overestimated. That's a judgment question, looking at fragments of information that are available. The real intelligence failures, though, have more often come from where we have lack of people assigned either to collect, or more often, to analyze the data that we can get, and this goes back to your earlier question about an analyst. For the instances you cite--Iran, Soviet brigade in Cuba, North Korean situation--all of those were ones where we had drawn down over decade people who were assigned to do analytical effort in the problem. So we've got to restore the manpower. We've also got to put some accountability into the whole game. We've got to be able to reward people who do very well at it, and hold accountable those who, in fact, fail to discharge the responsibilities to the public.

Sen. Nunn: Well, I wish you well in this important new assignment you have. Our Armed Services Committee, for instance, we

Sen. Nunn: depend on intelligence estimates not just to determine
(cont'd) what the adversary may be doing, but to judge the kind
of defense commitment, the kind of defense programs,
we need. So intelligence is a vital part of the
Congressional deliberations as well as the Executive
Branch, and we're proud of what you've done in the past,
Admiral, and I look forward to working with you.

Adm. Inman: Thank you, Senator. We look forward to your continued
strong support.

Sen. Nunn: Thank you for being my guest today.

Adm. Inman: My pleasure.

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